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**From:** Susan Schow [schow29@comcast.net]  
**Sent:** 9/19/2018 3:48:36 PM  
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**Subject:** Submitted Online Methane Tech Reg Doc & Outreach PPT to ITRC For Review  
**Attachments:** Meeting\_Minutes\_Sept\_11\_2018\_ITRC\_Methane\_Call\_Draft.docx

### Submitted Online Methane Tech Reg Document and Outreach PPT to ITRC for Final Review

On Sept 14th the Methane Team submitted their online Technology and Regulatory guidance document "Evaluation of Innovative Methane Detection Technologies" and on Sept 17th submitted their Outreach Training Presentation to ITRC for their review and comment.

The online document is currently scheduled to "go-live" on the ITRC website on Friday Sept 28th and the PowerPoint presentation is similarly scheduled be posted to the Team webpage on or soon after Sept 28th.

Please stand by for additional information regarding the finalization of these Team products.

### Sept 11th Team Conference Call Notes

Please find attached the draft minutes from our last Team Conference call on September 11, 2018.

After we incorporate any comments or corrections, these will be posted as "Final" on our Team webpage at:

<http://www.itrcweb.org/Team/Private?teamID=77>

under the "Meetings and Conference Call Summaries" folder.

Many thanks to Tim Taylor and Cindy Beeler for sharing the helpful language from two articles on the recently released revisions to NSPS OOOOa (see below).

Susan

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**From:** Taylor - CDPHE, Timothy <[timothy.taylor@state.co.us](mailto:timothy.taylor@state.co.us)>  
**Sent:** Wednesday, September 12, 2018 11:25 AM

To: Susan Schow <[schow29@comcast.net](mailto:schow29@comcast.net)>; Papageorgiou, Ona P (DEC) <[ona.papageorgiou@dec.ny.gov](mailto:ona.papageorgiou@dec.ny.gov)>

Subject: EPA Proposes To Ease Methane NSPS, Previewing Additional Deregulation

Susan & Ona,

Here's an extensive article from InsideEPA.com on the recently released revisions to NSPS OOOOa to share with the team:

## EPA Proposes To Ease Methane NSPS, Previewing Additional Deregulation

September 11, 2018

EPA's newly released proposal to ease methane limits for new oil and gas equipment is just the first stage of a process that would scuttle direct regulatory limits on the potent greenhouse gas, as Trump officials broadly seek to reduce regulatory burdens imposed on the sector by the prior administration.

EPA's Sept. 11 proposal to soften the 2016 new source performance standards (NSPS) would make several changes, including weakening monitoring requirements for methane leaks, easing schedules for repairing leaks, allowing an exemption for pneumatic pumps at certain greenfield sites, and recognizing compliance with state methane programs as complying with federal rules.

The agency plans to take comment on the plan for 60 days once it is published in the *Federal Register*.

But the agency indicated -- many observers on both sides of the issue expect -- the new proposal to be a prelude to a future plan that could eliminate methane-specific requirements for oil and gas sources, reverting to a prior approach that explicitly targeted volatile organic compounds (VOCs) and achieved methane reductions as a co-benefit.

The latter approach might effectively bar future methane rules for existing sources under Clean Air Act section 111(d) on the grounds that the statutory language bars regulation for criteria pollutants assumed to be addressed by other Clean Air Act provisions.

The section requires EPA to regulate existing sources once a sector is covered by an NSPS, though it specifically prohibits such rules if the targeted pollutant in an NSPS is one of six criteria pollutants or is a hazardous air pollutant (HAP).

VOCs are a precursor to ozone, which is a criteria pollutant, while methane is not a criteria pollutant. As such, the law effectively bars such regulation of existing sources.

EPA acknowledges that its proposal could result in additional methane, VOC and HAP emissions from 2019-2025, including 380,000 tons of methane -- equivalent to 8.5 million metric tons of carbon dioxide due to the fact that methane is a much more potent GHG than CO2. The proposal would also result in 100,000 additional tons of VOCs and 3,800 tons of air toxics.

But while EPA acknowledges the additional VOC emissions "may also degrade air quality and adversely affect health and welfare effects," it does not quantify the VOC-related health harm, citing "data limitations."

EPA does quantify cost savings from the proposal of \$484 million from 2019-2025, assuming a 3 percent discount rate, as well as some of the eased requirements, such as semi-annual monitoring at compressor stations.

But the proposal is being criticized by environmentalists who say it will undercut a more-aligned approach developed by the Obama administration.

"Today's proposal is the first step in an apparent two-part strategy to eliminate regulation of oil and gas methane emissions entirely," the Environmental Defense Fund (EDF) says in a Sept. 11 press release.

"If the Administration and its backers are successful, the result will be a hobbled federal framework that would likely reduce oil and gas methane emissions by no more than about 3 percent by 2025 according to EDF's initial analysis," the group adds.

### Separate Proposal

Despite the environmentalists' criticisms, EPA indicates its plans for a forthcoming proposal, saying in a fact sheet on the just-issued plan that the agency "continues to consider broad policy issues in the 2016 rule, including the regulation of greenhouse gases in the oil and natural gas sectors. These issues will be addressed in a separate proposal at a later date."

Meanwhile, the Bureau of Land Management (BLM) is expected to release a final rule in the coming days that would largely repeal Obama-era rules restricting venting and flaring of methane on public lands. Those rules, which covered existing equipment, were largely aligned with EPA's NSPS.

EPA's new methane proposal includes several provisions to ease monitoring for methane leaks. They include including relaxing a current requirement to check for leaks every six months and instead requiring operators to check annually. For "low-production wells," operators must conduct monitoring every two years, up from the current annual requirement for those sites.

The proposal would also allow stoppage of monitoring at well sites once all major production and processing equipment is removed.

In addition, the plan floats changing monitoring of emissions from compressor stations to every six months or annually, compared to quarterly under the current rules, while floating separate requirements for stations on the Alaska North slope.

EPA's proposal also extends from 30 to 60 days the amount of time that owners and operators have to complete repairs once leaks are found.

Further, EPA's plan proposes to allow operators in certain states to follow state requirements for monitoring, repair and recordkeeping in lieu of the NSPS, with some variation across state programs. Specifically, it would allow this equivalency for well sites and compressor stations in California, Colorado, Ohio, and Pennsylvania, and for well sites in Texas and Utah.

Other aspects of the proposed regulation include more flexibility for controlling pneumatic pump-related emissions as well sites, including new language that would allow greenfield sites -- not just existing sites -- to qualify for an exemption from controlling such emissions based on it being technically infeasible to do so.

"This proposal would avoid the potential of requiring a greenfield site to control the pneumatic pump emissions should it be technically infeasible to do so, while having no impact on the compliance obligation of other greenfield sites that do not have this issue," according to the proposed rule.

## Industry Support

While environmentalists panned the proposal, industry supported it. The American Petroleum Institute (API) praised the plan for enabling cost-effective regulation. And in a likely reference to the VOC-focused approach, API says it supports “cost-effective, achievable regulations targeting our mutual objective of reducing emissions of volatile organic compounds that, as a co-benefit, also reduce methane,” the group said in a statement.

The issue has split some companies in the sector, however, with larger companies tending to be more comfortable with direct methane controls. ExxonMobil in a Sept. 4 blog post reiterated its call for a “cost-effective federal regulatory standard to manage methane emissions for both new and existing source oil and gas facilities.”

An agency press release announcing the proposal also showcased support from the Western Energy Alliance for the proposal, with President Kathleen Sgamma saying it amounts to “fixing a rule that was purposefully designed by the Obama Administration to tie up the American oil and natural gas industry in red tape.”

Sgamma in an interview with *InsideEPA/climate* says the proposal would help in several ways, including by preventing companies from being locked into a cycle of periodic inspections where “you constantly go back to the same sites” and find no leaks.

She also praises the rule for aligning requirements with states that have rules governing the oil and gas facilities, and downplays the notion that the proposal signals further deregulation.

“These are technical changes to a rule to make it more efficient,” she says.

But others, including EDF’s Peter Zalzal, cite multiple signs that the EPA proposal is just the beginning of a deregulatory effort. He tells *InsideEPA/climate* that EPA has states in its regulatory agenda that it would be evaluating the appropriateness of direct regulation of methane, and multiple industry groups have pressed EPA for a “VOC-only” approach.

Zalzal also called the newly issued EPA proposal “incredibly damaging,” citing in particular its throttling back of leak detection provisions, because leaks can happen at any time. He says the group is still reviewing the proposal’s provisions for recognizing state programs as in compliance with the NSPS.

EDF in its formal statement notes that the proposal comes just a few months after a comprehensive study in the journal *Science* found methane emissions from the U.S. oil and gas industry are 60 percent higher than EPA reports.

“This amount nearly doubles the near-term climate impact of natural gas and represents the waste of enough natural gas to serve 10 million American homes every year, the group says.

## BLM Rules

The prospect of a future rule that would weaken or gut EPA’s current methane limits also raises questions about how those regulations will interact with BLM’s efforts to scale back its methane rules on public lands. Industry has long charged that BLM’s rules are duplicative of EPA requirements.

However, that argument becomes harder to make if EPA were to drop methane-specific rules on the sector, thus preventing future rules for existing sources.

But the consulting firm ClearView Energy Partners in a prior analysis of acting EPA Administrator Andrew Wheeler’s priorities pointed to the possibility that EPA could narrow -- rather than eliminate -- methane rules, creating regulatory certainty. -- Doug

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Timothy Taylor

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-----Original Message-----

From: Beeler, Cindy <Beeler.Cindy@epa.gov>

Sent: Tuesday, September 11, 2018 2:08 PM

Subject: Revisions to NSPS OOOOa Proposed

EPA Proposes Oil and Gas Targeted Improvements Package to Advance President Trump's Energy Dominance Agenda  
Proposal to save \$484 million in regulatory costs

09/11/2018

Contact Information:

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WASHINGTON - Today, the U.S. Environmental Protection Agency (EPA) proposed targeted improvements to the 2016 New Source Performance Standards for the oil and gas industry that streamline implementation, reduce duplicative EPA and state requirements, and significantly decrease unnecessary burdens on domestic energy producers. This oil and gas targeted improvements package is expected to save up to approximately \$484 million in regulatory costs from 2019 - 2025 or \$75 million annually.

"These common-sense reforms will alleviate unnecessary and duplicative red tape and give the energy sector the regulatory certainty it needs to continue providing affordable and reliable energy to the American people," said EPA Acting Administrator Andrew Wheeler. "Removing these excessive regulatory burdens will generate roughly \$484 million in cost savings and support increased domestic energy production - a top priority of President Trump."

The proposed improvements include: aligning requirements between EPA's rule and existing state programs; modifying the frequency for monitoring leaks (also known as "fugitive emissions") at well sites and compressor stations; and making it easier for owners and operators to use emerging measurement technologies in their leaks monitoring surveys.

"Today's technical amendments recognize successful infrastructure already in place in states like Ohio to protect public health and the environment," said Ohio EPA Director Craig Butler. "EPA's commonsense proposal supports state leadership through cooperative federalism and removes unnecessary red tape and burdensome duplication that only serve as roadblocks to responsible energy development in Ohio."

"America's oil and natural gas producers understand the importance of fair, commonsense regulations. But, for too long, the federal bureaucracy has buried our industry in unnecessary and often duplicative red-tape," said Independent Petroleum Association of America President and CEO Barry Russell. "Today's EPA proposal reverses the growing mistakes of the past. This proposal not only reassures America's continued path toward global energy leadership, but also continues to protect the environment and communities where energy production is located. It is important for the states to play an important role in decisions that affect their citizens, industries and natural resources. This proposal does just that: it empowers the states to work with the federal government on the best regulatory approaches. IPAA welcomes these proposed changes and is encouraged by these reasonable actions."

"Western Energy Alliance is pleased that EPA is fixing a rule that was purposefully designed by the Obama Administration to tie up the American oil and natural gas industry in red tape," said Western Energy Alliance President Kathleen Sgamma. "By fixing the numerous technical problems with the original rule, EPA will enable industry to continue its four-decade success record of reducing methane emissions. This new rule encapsulates the energy dominance agenda that is leading to huge increases in American energy production and jobs with dramatically lower levels of imports from overseas, all while delivering environmental protection."

The Agency continues to consider other policy issues in the 2016 rule, including the regulation of greenhouse gases in the oil and gas sector, and will be addressed in a separate proposal at a later date.

EPA will take comment on the proposed rule for 60 days after the proposal is published in the Federal Register and will hold a public hearing in Denver, Colo. Details on the public hearing will be available shortly.

For more information, visit <https://www.epa.gov/controlling-air-pollution-oil-and-natural-gas-industry/actions-and-notice-about-oil-and-natural-gas#regactions>

Contact Us<<https://www.epa.gov/newsreleases/forms/contact-us>> to ask a question, provide feedback, or report a problem.

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